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Wage Chronology: Pacific Coast Shipbuilders and Various Unions, 1977-80

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Introduction

Activities in Pacific Coast private shipyards include the construction, conversion, repair, and scrapping of naval and merchant vessels such as ships, boats, dredges, floating drydocks, offshore drilling vessels and platforms, barges, and auxiliary equipment. At present, about 25,000 workers are employed in nearly 200 firms in California, Oregon, and Washington. Approximately 40 percent of the workers are in Washington and 30 percent each are in California and Oregon.

Although contracts negotiated at shipyards on the Atlantic and Gulf Coast and in the Great Lakes areas usually have been signed on an individual company basis, negotiations at Pacific Coast yards generally have been conducted on a broader scale. Currently, many employers are represented by one of three associations. This chronology is limited to the largest employer group, Pacific Coast Shipbuilders Association, which represents nearly all the major firms. The other two are the Ship Repairs Association and the Washington State Boat Builders and Associates, which generally negotiate contracts similar to those signed by the Pacific Coast Shipbuilders Association.

Wage rates and related practices for most workers in shipyards on the Pacific Coast are largely determined by collective bargaining agreements that the major employer associations and independent companies negotiate with the Pacific Coast Metal Trades District Council, which represents unions that have organized workers largely on a craft basis.[1]

On November 24, 1937, the Metal Trades Department of the AFL chartered the Council which currently negotiates with shipyards for 11 international unions, as well as for five affiliated local metal trades councils.[2] From 1952 to 1968, at one time or another, the Machinists', Carpenters', and Electrical Workers' unions independently negotiated and signed agreements with employers. Since 1968, however, all unions have been represented by the District Council and presently participate in a general ballot on the ratification of contracts. The Machinists sign the master contract, which contains a short addendum covering a few items that apply only to the Machinists' members and on July 1, 1980, the Carpenters and the Electrical Workers signed the master contract with short addendums covering a few items which apply only to their members. (These two unions previously had signed individual contracts with the industry, although their terms were similar to the master agreement.)

Wages in the industry are paid on a straight-time basis. All employees in a given craft receive the same hourly pay rate and overtime at double the day-shift rate. There is no incentive pay.

For additional information on the history of the associations and unions and for a summary of contract negotiations and resultant wage and supplementary compensation practices from 1941 to 1977, see Bulletin 1982, *Wage Chronology: Pacific Coast Shipbuilders and Various Unions, 1941-77.*

[1] Approximately 6,000 workers at shipyards in the Los Angeles area are represented by the Industrial Union of Marine and Shipbuilding Workers of America. These employees are not covered in this chronology.

[2] The unions are: United Brotherhood of Carpenters and Joiners of America (CJA); International Brotherhood of Painters and Allied Trades; International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America; International Brotherhood of Electrical Workers (IBEW); International Union of Operating Engineers; Laborers' International Union of North America; International Association of Machinists and Aerospace Workers (IAM); International Molders and Allied Workers Union; United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada; Sheet Metal Workers International Association; and International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers. The local metal trades councils are: Bay Cities Metal Trades and Industrial Council; Bellingham Metal Trades Council; Portland Metal Trades Council; Seattle Metal Trades Council; and Tacoma Metal Trades Council.

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Summary of Contract Negotiations

Contract negotiations between the Pacific Coast Shipbuilders Association and the Pacific Coast Metal Trades District Council began in late May 1977 in Monterey, California. As in the previous three rounds of bargaining, the Metal Trades District Council represented all unions which were party to contracts to be renegotiated. The unions' negotiating committee had given its initial proposals to management on May 23, 1977. During negotiations major demands included wage increases of 12 percent in the first year and 5 percent in the second and third years. Other demands included a guarantee of 8 paid holidays.

On July 27, a tentative settlement was reached for the 11,500 workers. The Joint Shipyard Negotiating Committee submitted the agreement to the unions' membership, who ratified it on July 29. The 3-year agreement provided for wage increases of 50 cents an hour on July 1 of 1977, 1978, and 1979. The escalator clause was continued; it provided for a 1-cent increase for each 0.4-point movement in the San Francisco-Oakland Bureau of Labor Statistics–Consumer Price Index (BLS-CPI) (1967=100) on a quarterly basis, beginning on November 1, 1977, with the final adjustment on May 1, 1980. A 30-cent-per-hour company payment was to be allocated to the pension or health and welfare funds beginning on July 1, 1977, with an additional 25 cents on July 1, 1978, and 20 cents on July 1, 1979. (The actual allocation varied in some 41 Trusts.) An eighth paid holiday, New Year's Day, was added. Travel pay for employees required to furnish their own transportation from the employer's place of business to the job site was increased to 15 cents a mile plus bridge tolls for the San Francisco area. During the agreement term, trustees of the health and welfare plans implemented a number of improvements in benefits. The improvements, which varied among the plans, included increases in the major medical insurance lifetime maximums, and increased accidental death and dismemberment, life insurance, and sickness and accident benefits.

The following tables are complete through the June 30, 1980, termination date of the agreements.

Table 1. General wage changes[1]

Effective date	Provisions	Applications, exceptions, and other related matters
July 1, 1977 (agreements of July 18 and 19, 1977--CJA, IAM, MTC; and July 1, 1977--IBEW).	50-cent-an-hour increase.	Agreement also: (1) Provided for deferred wage increases effective July 1, 1978 and July 1, 1979; (2) incorporated the existing 80-cent-an-hour cost-of-living allowance into base rates on July 1, 1977; and (3) continued the cost-of-living escalator clause with quarterly adjustments beginning Nov. 1, 1977 through May 1, 1980 of 1 cent for each 0.4-point change in BLS-CPI for Urban Wage Earners and Clerical Workers--San Francisco-Oakland, California area (1967=100), based on the cumulative change in the Index over the prior 3-month span. The clause contained no ceiling and adjustments were to be allocated, all or part, to wages or fringe benefits as decided by union.
Nov. 1, 1977	8-cent-an-hour increase.	Quarterly cost-of-living adjustment.
Feb. 1, 1978	8-cent-an-hour increase.	Quarterly cost-of-living adjustment.
May 1, 1978	9-cent-an-hour increase.	Quarterly cost-of-living adjustment.
July 1, 1978 (agreements of July 18 and 19, 1977--CJA, IAM, MTC; and July 1, 1977--IBEW).	50-cent-an-hour increase.	Deferred increase.
Aug. 1, 1978	15-cent-an-hour increase.	Quarterly cost-of-living adjustment.
Nov. 1, 1978	9-cent-an-hour increase.	Quarterly cost-of-living adjustment.
Feb. 1, 1979	10-cent-an-hour increase.	Quarterly cost-of-living adjustment.
May 1, 1979	16-cent-an-hour increase.	Quarterly cost-of-living adjustment.
July 1, 1979 (agreements of July 18 and 19 1977--CJA, IAM, MTC; and July 1, 1977--IBEW).	50-cent-an-hour increase.	Deferred increase.
Aug. 1, 1979	19-cent-an-hour increase.	Quarterly cost-of-living adjustment.
Nov. 1, 1979	17-cent-an-hour increase.	Quarterly cost-of-living adjustment.
Feb. 1, 1980	15-cent-an-hour increase.	Quarterly cost-of-living adjustment.
May 1, 1980	25-cent-an-hour increase.	Quarterly cost-of-living adjustment.

[1] General wage changes are upward or downward adjustments affecting an entire area, establishment, bargaining unit, or plant at one time. They do not include adjustments in individual rates (promotions, merit increases, etc.) and minor adjustments in wage structure having no immediate effect on the general level.

The changes listed are the major adjustments in wage rates made during the period covered. Because of fluctuations in earnings from changes in type of work and employment, general wage changes will not necessarily coincide with the change in average hourly earnings over the period.

Table 2. Basic wage rates [1] for selected occupations, 1977-80

Occupation	Effective date		
	July 1, 1977	July 1, 1978	July 1, 1979
Acetylene burners	$8.16	$8.66	$9.16
Blacksmiths, heavy forge	8.49	8.99	9.49
Chippers and caulkers, steel	8.16	8.66	9.16
Drillers and reamers	8.16	8.66	9.16
Electricians	8.16	8.66	9.16
Machinists (all classifications)	8.16	8.66	9.16
Operating engineers:			
Equipment over 75 tons [2]	8.46	8.96	9.46
Equipment 20 tons through 75 tons	8.31	8.81	9.31
Equipment under 20 tons	8.16	8.66	9.16
Painters	8.16	8.66	9.16
Riggers, loft; plate hangers; hook tenders and slingers	8.16	8.66	9.16
Riveters	8.16	8.66	9.16
Shipwrights - while engaged in carpenter work on creosoted or toxic preservative treated lumber or fiberglass, rock wool or similar insulation work [3]	8.62	9.12	9.62
Shipwrights, journeymen	8.16	8.66	9.16
Tool and die makers	8.23	8.73	9.23
Welders, acetylene and electric	8.16	8.66	9.16
Helpers, general	7.86	8.36	8.86
Laborers, production	7.86	8.36	8.96

[1] Rates do not include cost-of-living escalator adjustments.

[2] Previously there were only 2 pay rates for equipment: 20 tons and over and under 20 tons.

[3] Rates shown previously listed as "Carpenters (creosoted lumber, rock wool, and similar materials on jobs lasting more than 8 hours)."

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Table 3. Supplementary compensation practices

Effective date	Provisions	Applications, exceptions, and other related matters
	Holiday pay	
July 1, 1977 (CJA, IAM, and MTC agreements of July 18 and 19, 1977 and IBEW agreement of July 1, 1977).	Changed: Credit (contribution) for paid holidays to 19 cents an hour	
Jan. 1, 1978 (agreements of July 18 and 19, 1977--CJA, IAM, MTC; and July 1, 1977--IBEW).	If a holiday fell on a Saturday, the preceding Friday was observed as the holiday. If a holiday fell on a Sunday and was observed by the State or Nation on the Monday following, Monday was recognized as the holiday.	
	Increased to: Triple time for holiday worked. If employee did not qualify for holiday pay but worked on any such holiday, double time rates applied.	
	When a paid holiday accrued within employee's approved vacation period, employee would take additional vacation.	
	Changed: Method of payment by accrued credits replaced by receiving eight (8) times the day shift hourly rate.	Qualifying conditions: (a) Employee was on the payroll for thirty (30) working days; (b) employee worked all of the hours required by the employer on both the regularly scheduled work day prior to and the regularly scheduled work day following the applicable holiday; (c) employee would receive holiday pay in spite of absence on the work day prior to or the work day following such holiday, where such absence was due to an industrial accident, a bona fide illness covered by a doctor's certificate, or an absence approved by the employer.
July 1, 1978 (agreement of July 18 and 19, 1977--CJA, IAM, MTC; and July 1, 1977--IBEW).	Added: 8th paid holiday, New Year's Day.	
	Vacation pay	
July 1, 1965 (agreements of July 25, 1965--MTC; Aug. 5, 1965--CJA; Sept. 24, 1965-- IAM; June 26, 1967-- IBEW).	[1]Increased to: 4 1/4 percent of total annual hours worked multiplied by straight-time rate for employees with 4 years of service.	
July 1, 1971 (agreements of same date--IAM, IBEW; and Aug. 13, 1971--MTC).	.....	[1]Added: In computing vacation allowance, employee was credited with 8 hours for each full second or third shift worked. [1] Added: Not necessary for years of service used in computing vacation allowance to be consecutive--IAM.
	Travel pay	
July 1, 1978 (agreements of July 18 and 19, 1977--CJA, IAM, MTC; and July 1, 1977--IBEW).	Increased: San Francisco area--Employees required to furnish own transportation to be paid 15 cents a mile from employer's place of business to job site and return, plus bridge tolls.	
	Premium pay for dirty work	
July 1, 1978 (agreements of July 18 and 19, 1977--CJA, IAM, MTC; and July 1, 1977--IBEW).	Added: Double time rate paid where entry was required to clean septic tanks containing human waste.	

See footnotes at end of table.

Table 3. Continued—Supplementary compensation practices

Effective date	Provisions	Applications, exceptions, and other related matters
	Health and welfare benefits	
	MTC plan	
Apr. 1, 1977 (announcement of board of trustees).	Increased: Sickness and accident benefits--for employees in Oregon and Washington, to $100 per week up to 26 weeks maximum for any one disability. Hospital benefits under major medical plan--room and board to maximum $100 a day for employees in Oregon, $120 a day for employees in California; or cost of semi-private room, whichever was lower. Added: Dual-choice option for medical care--employee to be offered once each year an opportunity to enroll in the Kaiser Plan or the Group Health Cooperative of Puget Sound (whichever applied to their area) instead of the Metal Trades Trust Fund.	
Sept. 1, 1977 (announcement of board of trustees).	Increased: Hospital benefits under major medical plan--room and board to maximum $120 a day in Oregon and $150 a day in California. Increased: Surgical schedule maximum allowance for a specified procedure by 100 percent. The maximum payable for all procedures performed during a period of disability--to $1,000. Maternity benefits for normal delivery--to $500. Physical examination benefit--extended to spouses of eligible employees. Major medical benefit--to 90 percent of covered expenses. Life insurance and accidental death and dismemberment coverage--to $4,500.	Applied to employees in Oregon and Washington.
	CJA plans	
July 1, 1977 (announcement of board of trustees).	Changed: CJA member could choose either the Occidental Life Insurance medical plan in any or: (1) Kaiser Foundation Health Plan in Portland, Ore., (2) King County Medical in Seattle, Wash. area; (3) Pierce County Medical in Tacoma, Wash. area; and (4) Whatcom County Physicians in Bellingham, Wash. Area. Changes in the Occidental Life Insurance and the Kaiser Foundation Plans[2] were as follows: 1. Occidental Life Insurance Plan	
Nov. 1, 1977 (announcement of board of trustees).	Increased: Major medical expense benefits to $50,000 per individual per year. 2. Kaiser Health Plan	Changed: The cash deductible on covered major medical expense benefits reduced to $25 per calendar year per individual (maximum $50 per year in family).
Apr. 1, 1976 (announcement of board of trustees).	Added: Coverage for immunizations. Vision care plan-available to employees and eligible dependents. Plan provided: (1) Vision examination every 12 months; (2) Lenses every 12 months, if needed; and (3) Frames every 24 months, if needed.	$5 deductible for examinations. Free contact lenses furnished when visual problems could not be corrected with spectacle lenses. Otherwise, plan would allow $55 toward cost for those opting for contacts.

See footnotes at end of table.

Table 3. Continued—Supplementary compensation practices

Effective date	Provisions	Applications, exceptions, and other related matters
	IAM plans	
July 1, 1977 (IAM trust agreement of same date).	Increased: Life insurance--to $15,000 for employees, to $1,000 for spouses, and to $100 to $1,000 for unmarried children, depending on age. Accidental death and dismemberment--to $15,000 for employees. Weekly sickness and accident benefit--to $150 for employees.	
Aug. 1, 1977 (IAM trust agreement of July 1, 1977).	For subscribers and dependents--Increased: Hospitalization--to full payment of semi-private room rate for 365 days per condition per year. Medical and surgical benefits--to full payment. Major medical--to pay 80 percent of first $2,500 and 100 percent thereafter up to $300,000 lifetime maximum.	Major medical deductible reduced to $50 per individual and $150 per family per calendar year.
	Dental plans	
Jan. 1, 1976 (CJA)	Changed: Deductible eliminated and the following incentive schedule introduced, covering all of the usual, customary, reasonable fees: 1st year of participation in the program, plan paid 80 percent of cost; 2nd year of participation in the program, plan paid 90 percent; and 3rd year of participation in the program, plan paid 100 percent.	Individual required to visit dentist the first year and every year thereafter, or the next-lowest incentive rate applied.
Apr. 1, 1977 (MTC)	Changed: Expenses covered after $25 deductible, during a calendar year according to following schedule: 1st year of eligiblity--70 percent; 2nd year of eligibility--90 percent; and more than 3 years of eligibility--100 percent.	Reverted to 70 percent level if a person failed to use the program during any calendar year.
	Retirement benefits	
	IAM plan	
Apr. 1, 1976	Increased: Future service benefits to 2.8 percent of employer contributions made for employment on or after Apr. 1, 1976. Increased: Past service benefits to $4.50 a month per year of service for employees retiring on or after Apr. 1, 1976. Changed: Early retirement benefit computed by reducing normal benefit by 1/4 percent for each full month prior to normal retirement date. Changed: Disability retirement credited service requirement reduced to 10 years.	

[1] This benefit change should have been included in Bulletin 1982, which covers 1941-77.

[2] Space limitations preclude a detailed account of each optional plan.

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